

MINUTES OF THE MEETING
Arkansas Section 529 Plan Review Committee

Tuesday, November 5, 2019 at 10:00am
Victory Building Conference Room, Suite 275, Little Rock, AR 72201

A meeting of the Arkansas Section 529 Plan Review Committee (“Committee”) was held on Tuesday, November 5, 2019 at 10:00am in the Victory Building Conference Room, Suite 275. Present at the meeting were Treasurer of State Dennis Milligan; Clint Rhoden, Director of the Arkansas Teacher Retirement System; Dr. Maria Markham, Director of the Arkansas Department of Higher Education; Grant Wallace, Chief Deputy Treasurer; Emma Willis, Director of 529 Programs and Financial Education; Thomas Burchfield, Deputy Director of 529 Programs and Financial Education; Chris Scott, AR 529 Assistant; Stacy Peterson, Communications Director for the State Treasurer’s office; Dave Ponder with Ascensus College Savings; John Peace with Dover Dixon Horne; John Park with BlackRock; Brooke Vines and Bill Brookshire with Vines/Brookshire.

Treasurer Milligan called the meeting to order at 10:00 am. He asked for a motion to approve the minutes of the September 17th, 2019 meeting. Maria Markham moved to approve, Clint Rhoden seconded the motion, and the minutes were approved.

Emma Willis presented checks and invoices paid during third quarter of fiscal year 2019, and pending invoices for approval. Clint Rhoden moved to approve, Maria Markham seconded the motion, and the checks and invoices were approved.

Emma continued by presenting an engagement letter from Dover Dixon Horne to continue providing their legal services for the Committee. Clint Rhoden moved to approve, Maria Markham seconded the motion, and the engagement letter was approved.

Emma then presented a PMA from BlackRock to the Committee for approval, which would extend the Committee’s agreement with BlackRock for another two years. She continued by stating the relationship had been reviewed and approved by legal counsel and that we were currently pleased with their performance. Maria Markham moved to approve the PMA, Clint Rhoden seconded the motion, and the motion carried.

Stacy Peterson then introduced Brooke Vines and Bill Brookshire with Vines/Brookshire for a presentation on Marketing. Bill Brookshire proceeded with the presentation explaining their goals and strategy for the next year, identifying a target population, identifying life changes that resulted in financial gain, and how they all fit together to compose four different strategies to grow awareness around the plan. Bill detailed the online engagement strategy, to meet people where they are in a relevant way. This was done by planting pixels on the site to examine online behavior preceding and following a visit to the plan’s URL. Bill also played the new TV spot for the plan and provided examples of online ads and where they were appearing.

John Peace with Dover Dixon Horne reported on the budget. He stated that if the income stays at the current rate that we would be on track to exceed the expectations by \$60,000. He continued that the expenses were down and we had a total of \$205,682 in the administrative accounts.

Mary Ryan and Kim Stockton with Vanguard gave a report on portfolio performance to the Committee. Kim Stockton focused the report on Vanguard’s recommendation that no changes be made to the portfolio options and structures for calendar year 2020 after a throughout investigation with the Vanguard Capitol Markets Model. Clint Rhoden moved to approve Vanguard’s recommendation, Maria Markham seconded the motion, and the motion was approved.

John Park then made a report on the iShares Plan. John reported that since the beginning of the year, assets had grown in Arkansas by \$41 million, a 14% increase in firms offering the plan takes the total number to 54 with 299 financial advisors, and a 22% increase in accounts totaling 2,566. John stated that the tax legislation changes that passed a couple years ago have contributed to the growth.

A report from Ascensus College Savings was presented by Dave Ponder, which detailed assets, contributions, withdrawals, funded accounts, average funded account size, iShares 529 assets, U-gift and U-promise. Dave stated that as of the end of October, the total GIFT assets under management were nearly \$447,000,000. He stated that the iShares plan was doing great as well. The presentation also reflected \$38 million in year-to-date contributions, over 29,000 funded accounts, with an average account size of \$15,310. Dave also reported on the iShares Plan, stating that there was over \$495,000,000 in assets, 13,250 funded accounts, and an average account size of over \$37,000.

There was then an announcement from Treasurer Milligan that Emma Wills was resigning from her position as Director of 529 Programs and Financial Education in the Treasurer's office. Treasurer Milligan thanked Emma for her work and what she had done for the future of the children of Arkansas. Emma Willis extended her appreciation to the Committee for their endless support.

Emma mentioned that with her departure, a need was identified to add Chris Scott to the Southern account to inquire on the account balance as well as make deposits. Maria Markham moved to take the appropriate actions necessary to add Chris Scott to the account, Clint Rhoden seconded the motion, and the motion was approved.

Emma then concluded necessary actions needed with her departure by stating that Chris Scott would also need occasional use of the First Security Bank travel card to make related purchases. Clint Rhoden moved to approve allowing Chris use of the card, Maria Markham seconded the motion, and the motion carried.

The date for the 1st Quarter meeting of 2020 will be determined later. Grant Wallace did mention that he would be trying to compile all the quarterly meeting dates for 2020.

There being no further business, Treasurer Milligan moved to adjourn the meeting and the meeting adjourned at 10:46 am.

Respectfully submitted,
Emma Willis, Director of 529 Programs and Financial Education